

Message Text

LIMITED OFFICIAL USE

PAGE 01 SAN SA 02463 252142Z
ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 FEA-01 XMB-02 AF-10 EA-07 NEA-10 IO-13
OIC-02 /138 W
-----260306Z 044775 /72

R 252109Z MAY 77
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 4417
INFO AMCONSUL BELIZE
AMEMBASSY GUATEMALA
AMEMBASSY LONDON
AMEMBASSY PANAMA
AMEMBASSY SAN JOSE
AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE SAN SALVADOR 2463

E.O. 11652: N/A
TAGS: ETRD, EAGR, ES
SUBJECT: RESTRICTIONS ON COFFEE SALES

REF: STATE 111015

1. GOES HAS TAKEN NO OVERT OFFICIAL ACTION TO RESTRICT
COFFEE SALES. PATTERN OVER LAST YEAR WHEN PRICE DROPS
OCCURRED (SPRING OF 1976 AND JANUARY, 1977) HAS BEEN
FOR SALVADORAN COFFEE COMPANY TO EXERCISE ITS RIGHT TO
BUY COFFEE FROM PRIVATE EXPORTERS WHO PROPOSE TO SELL AT PRICES
DEEMED BY COMPANY TO BE LOWER THAN WORLD MARKET LEVEL. IN EFFECT,
COMPANY SPECULATES ON RENEWED PRICE INCREASES, AN OPERATION
WHICH ITS CURRENT STRONG FINANCIAL POSITION MAKES IT WELL ABLE
TO DO. THIS IS ALSO DEFENDED AS REVENUE PROTECTION MEASURE,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SAN SA 02463 252142Z

SINCE EXPORT TAX IS ASSESSED ON NEW YORK PRICE. HOWEVER, THIS
DOES NOT APPEAR TO BE IMPORTANT FACTOR AT PRESENT TIME SINCE,
AT THIS STAGE OF CROP CYCLE, LITTLE COFFEE REMAINS IN PRIVATE
HANDS HERE. ALSO, ROASTERS ARE REPORTEDLY NOT BUYING.
MOST COFFEE NOW MOVING OUT OF EL SALVADOR WAS CONTRACTED FOR
SALE IN FIRST QUARTER. MILLS ARE NOW PROCESSING COFFEE FOR
ACCOUNT OF COFFEE COMPANY FOR EXPORT DURING NEXT TWO MONTHS.

2. IN SPITE OF DIP IN WORLD PRICE, COFFEE COMPANY HAS NOT
REDUCED ITS PRICE TO GROWERS. PRIVATE BUYERS MUST MEET OR COME
CLOSE TO COMPANY'S PRICE. AGAIN, THIS HAS LITTLE CURRENT
SIGNIFICANCE SINCE MOST GROWERS HAVE ALREADY SOLD.
COMPANY ARGUES (A) THAT LOWERING PRICE TO PRODUCERS WOULD HAVE
ADVERSE LOCAL POLITICAL EFFECTS, AND (B) THAT PRICE TO GROWERS
HAS LITTLE SIGNIFICANCE AT PRESENT TIME SINCE MOST HAVE SOLD.
MAIN REASON IS PROBABLY THAT LOWERING PRICE TO GROWERS WOULD
CONTRIBUTE TO FURTHER DROP IN WORLD PRICE, GIVEN CURRENT
PSYCHOLOGY OF MARKET.
LOZANO

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, SALES, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SANS02463
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770187-0982
Format: TEL
From: SAN SALVADOR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770519/aaaaaqdc.tel
Line Count: 74
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a150498a-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 111015
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2372606
Secure: OPEN
Status: NATIVE
Subject: RESTRICTIONS ON COFFEE SALES
TAGS: ETRD, EAGR, ES
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/a150498a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009